

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3564 - SB 3562

February 20, 2012

SUMMARY OF BILL: Requires the forfeiture and seizure of a motor vehicle used in violation of evading arrest law. Designates the Department of Safety (DOS) as the applicable agency for forfeitures.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$208,300/General Fund
\$675,000/Secretary of State**

**Increase State Expenditures – \$83,100/One-Time/General Fund
\$1,831,300/Recurring/General Fund**

Increase Local Revenue – \$3,300,000

Assumptions:


- Based on information provided by the Memphis Police Department, the Shelby County Sheriff's Office, and the Knoxville Police Department, DOS estimates at least 10,000 additional seizure cases each year.
- One-third of seizure cases will result in vehicle forfeiture.
- DOS estimates \$1,000 in revenue from the average vehicle, which is a net of any costs to tow, store, and process the vehicle.
- Of the 10,000 cases, approximately 100 will be Tennessee Highway Patrol seizure cases (with the revenue allocated to the state) and approximately 9,900 will be local government seizure cases (with revenue allocated to the applicable local government).
- A recurring increase in state revenue of \$33,333 $[(\$1,000 \times 100) / 3]$ and recurring local revenue of \$3,300,000 $[(\$1,000 \times 9,900) / 3]$.
- Currently, five DOS attorneys handle approximately 8,400 cases each year (or 1,680 cases per attorney).
- An additional 10,000 cases will require six additional attorneys (10,000 / 1,680 cases per attorney) and six support staff to send notices, set dockets, send correspondence, maintain case files, and handle telephone calls. One additional Attorney 4 position will be required to oversee the additional cases.
- A recurring increase in state expenditures of \$766,335 (\$482,136 salaries + \$148,944 benefits + \$135,255 operational expenditures) for 13 new positions.

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- One-time programming will be required by the state to add the new case type, docket type, seizure codes, and forfeiture letters to the current system.
- A total one-time increase in state expenditures of \$83,050 (\$62,400 related to new positions + \$20,650 contract programming costs).
- DOS estimates that 10 percent of cases will result in a hearing request heard by an administrative law judge from the Secretary of State's Office.
- Based on information provided by DOS and the Secretary of State, DOS will pay approximately \$675,000 annually to the Secretary of State to conduct hearings.
- The Secretary of State's Office will require three new administrative law judges. A recurring increase in state expenditures of \$390,000 (\$323,699 salaries + \$66,301 benefits).
- A total recurring increase in state expenditures of \$1,831,335 (\$766,335 + \$675,000 + \$390,000).
- The defendant will be required to post a \$350 bond to DOS; 50 percent (or \$175) will be awarded to the defendant. Therefore, a recurring increase in state revenue of \$175,000 (\$175 x 10,000 cases x 10% hearings requested).
- A total recurring increase in state revenue of \$208,333 (\$33,333 + \$175,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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